

## NEW in 2017

Under **SB 786**, passed during the 2016 legislative session, beginning January 1, 2017, all committees, except campaign committees for local ballot measures, will be required to:

- [register](#) with the Missouri Ethics Commission (MEC),
- file reports electronically with the MEC, and
- pay any late fees for the late filing of reports.

Committees required to register and file with the MEC will no longer register the committee with the local election authority.

### Local Candidate Committees

If a committee for a local office is currently registered with the local election authority the committee will be transferred to the MEC. Local campaign committees will still have the option of registering and filing reports with the MEC, but must also register with the local election authority.

### Constitutional Amendment 2

On November 8, 2016, Missouri voters approved Constitutional Amendment 2 which, among its provisions, imposes campaign contribution limits on certain candidates for state office including statewide offices, legislative offices and judicial offices. The full text of [Amendment 2](#) can be viewed on the Secretary of State's website. The Commission has posted a summary of [questions and answers](#) regarding some aspects of Amendment 2. The Commission has also posted a summary of [advisory opinions](#), but has withheld issuing formal opinions due to pending litigation challenging certain provisions. Continue to watch our website for updates on the status of litigation as well as any opinions the Commission might issue.



### Campaign Finance Tip

[Candidate Central](#) has a useful [Committee Checklist](#) including steps for forming and registering a committee

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## Are you required to file a PFD?

### Annual Filers:

If your name was submitted to our office by a political subdivision (county, city, school district, fire district, etc.) as a person required to file a Personal Financial Disclosure (PFD) due to a position held in 2016, then you must file your PFD by **5:00 pm on May 1, 2017**. Annual filers must file for each year (or portion of a year) for which they hold a position that requires the filing of a PFD.

Letters with instructions for e-filing along with your MEC Online ID and Password to [e-file](#) will be sent this month.

If you fail to file by May 1, 2017, you will be assessed a late filing fee of \$10.00 per day. After 30 days the fee increases to \$100.00 per day, not to exceed \$6,000.00. Additional penalties may also apply.

The time period covered on the PFD for an annual filer is Jan. 1st, 2016-Dec 31st, 2016\*.

### Candidate Filers:

If you are required to file a PFD due to the office you are seeking in the April or August elections, then you must file your PFD **by an earlier due date**. The due date for the April election is Jan 31, 2017. Failure to file by this date will result in late fees, failure to file by Feb. 7, 2017, will result in disqualification and removal from the ballot, **unless** your subdivision has a conflict of interest ordinance or policy on file with the MEC. If filing deadlines are then not met, penalties (if any) are assessed by the subdivision according to its ordinance.

\*Time period covered for an incumbent candidate, or candidate who is also an annual filer, is Jan. 1, 2016—Jan. 17, 2017 for candidates in the April election.

Time period covered for a new candidate, or candidate who is **not** also an annual filer, is Jan. 17, 2016—Jan. 17, 2017 for candidates in the April election.

**Our Mission:** The MEC serves the public interest by promoting and maintaining transparency, accountability, and compliance with campaign finance, lobbying, and conflict of interest laws. We educate and assist the citizens of Missouri, public officials, lobbyists, and those participating in public elections by increasing awareness and understanding of the law. We investigate and enforce these laws consistently.

## Lobbyist Reminders

- **Lobbyist Renewal** was due Jan 5th, 2017. If lobbying, must register **within five days** of beginning lobbying activity.
- **Verify current registration** info by logging-in to [lobbyist e-file](#) system.
- **List of Principals and Legislative Action Report:**  
This report is filed twice each year due on March 15 and May 30 and filed with MEC. Include general description of proposed legislative action which the lobbyist (or lobbyist principal) supported or opposed.

### Lobbying: New Requirements

Sections [105.465](#) and [130.097](#), RSMo

Any person who registers as a lobbyist and also has a candidate committee must dissolve the candidate committee and disburse all money of the committee by:

- Returning a contribution to the person or entity making the contribution,
- Donating to a 501(c)(3) nonprofit entity, or
- Transferring funds to a political party committee.

No person who registers as a lobbyist can transfer funds from any committee such person controls to another committee controlled by a candidate or public official. (Also see MEC advisory opinions)

## MEC Employee Spotlight

### Bryan Mantle (Information Technologist I): Employee of the Quarter

Nominated for his work with the [Higher Education Institutions Out-of-State Travel Report](#). With the passage of [SB 997](#), if the spouse of any full-time employee of a public institution of higher education incurs out-of-state travel costs that are paid for or reimbursed by the institution then the employee has certain reporting requirements with the Commission. Bryan came into the office as a new employee and designed this new online filing system under a very critical deadline. Through the completion of his design, very few modifications had to be made to satisfy the Business Services Unit. Bryan trained staff on how to use this online filing system to assist outside filers in complying with the new requirements. Thank you, Bryan, for your hard work on this project and training fellow staff on learning this new system!

## Ballot Measures: Use of Public Funds

### Is your jurisdiction placing a question on the ballot?

If your public body anticipates putting a ballot measure before the voters in 2017, please be aware of Section 115.646, RSMo. That law provides that:

No contribution or expenditure of public funds shall be made directly by any officer, employee or agent of any political subdivision to advocate, support, or oppose any ballot measure or candidate for public office. This section shall not be construed to prohibit any public official of a political subdivision from making public appearances or from issuing press releases concerning any such ballot measure.

### How to:

Search "Use of Public funds" decisions

1. Go to the [MEC website](#)
2. Choose [Commission Business](#) at the top of the page.
3. At the very bottom of the Commission Business page click [Commission Actions](#)
4. Click **Advanced Search** (third gray tab on the right)
5. Go to **Step 3** and select Complaint Category, Use of Public Funds
6. Click **Search**

### Advisory Opinions

The Commission has also issued previous opinions about Use of Public Funds. To view them:

1. Go to the MEC [Conflict of Interest Page](#)
2. Next select the [Advisory Opinions](#) link
3. Then choose **Opinion Topic:** Conflict of Interest
4. Choose **Category:** Use of Public Funds

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**Email:** [helpdesk@mec.mo.gov](mailto:helpdesk@mec.mo.gov)



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## FAQs: Article VIII, Section 23

### What are the contribution limits and what candidates do the limits apply to?

Article VIII, Section 23. 3(1), provides a contribution limit of \$2,600 from any person, other than the candidate, to elect an individual to the Missouri state offices of:

- Governor
- Secretary of State
- State Auditor
- State Senator
- State Judicial Office
- Lieutenant Governor
- State Treasurer
- Attorney General
- State Representative
- Other State Office

### Are there restrictions in Article VIII, Section 23 that apply to both state and local candidates?

Yes, while the contributions limits do not apply to local candidates, there are numerous provisions that apply to all candidate committees, including local candidate committees:

- Candidate committees are prohibited from accepting or making contributions to another candidate committee, including federal candidate committees
- Candidate committees cannot make contributions to PACs/continuing committees
- Candidate committees cannot receive contributions from corporations (with some exceptions) and labor organizations directly ([see question](#) on corporation and labor organization contributions)
- Candidate committees can receive contributions from PACs/continuing committees
- Candidate committees can make contributions to, and receive contributions from political party committees

 For new requirements provided in Article VIII, Section 23, including advisory opinions go to our [website](#).

### Political Subdivisions: Is your contact information up to date? If not, log in and update.

#### Check Status of your filers:

- Go to [our website](#).
- Log in to the [Political Subdivision Filing System](#) (use your subdivision log in information. HINT: the MEC Online ID begins with the letter "S".)
- Select the "Filer Status" GO button and view each filer's status. Verify that your designated required filers have submitted their PFD.

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## Have you filed your PFD?

### Annual Filers: May 1<sup>st</sup> deadline is fast approaching!

If your name was submitted to our office by a political subdivision (ex: state agency, county, city, board, school district, etc.) as a person required to file a Personal Financial Disclosure (PFD) statement because of a position you held or now hold with that subdivision, then you must file your PFD by **5:00 pm on May 1<sup>st</sup>, 2017** (or post-marked by April 30<sup>th</sup>, 2017). Time period covered is from Jan 1<sup>st</sup>, 2016 - Dec 31<sup>st</sup>, 2016 (or portion of year that you served).



### E-File your PFD

1. **Complete [PFD E-Filer Account Request](#).**
2. Upon receipt of your MEC Online ID & Password (sent to the email address provided), **log-in** to the [PFD E-Filing System](#).

 See [PFD FAQs](#) for more info.

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## Lobbying Report Due

### List of Principals & Legislative Action—Due May 30<sup>th</sup>

Avoid these common reporting errors:

- Only one report is required per principal; any one of multiple lobbyists that are registered to lobby on behalf of a principal may report for that principal.
- Must include general description of the proposed action.
- Report includes the lobbying of any action by an official agency, board or commission of state government (ex: if lobbying the head of a state agency, that action is reportable).

## MEC Employee Spotlight

### Brenda Luadzers: Employee of the Quarter

Brenda was one of the key individuals to organize and complete the election/candidate packets mailed out in the last quarter of 2016. She was proactive in contacting the Print Shop and appropriate offices regarding the supplies needed. She also contacted state mail services in advance to obtain the best delivery method in order to achieve a cost-effective and timely delivery. This preparation ensured the compiling of the packets was streamlined and efficient. She spent many hours in the conference room stuffing, sealing and labeling the packets. She did this with a smile on her face and with lots of humor which made the process more enjoyable for all involved. Also during the compiling she was very courteous with the state mail team and provided as much advanced notice as to the number of mail tubs that would be ready for pick up in the morning and afternoon. Brenda's hard work and dedication to this project made it a success. Well done, Brenda!

### Lobbyist Expenditure Data Search

This new search adds the ability to search all lobbyist expenditures by recipient name.

Search all expenditures reported by a lobbyist made on behalf of any group or individual including a state public official, their employee/staff, spouse/child, a department head and their staff, and a local elected official in a municipality with a budget over \$10 million.

Additional information can be found from the search results by selecting the lobbyist, the recipient, or the dollar amount.

 [Lobbyist Expenditure Data Search](#)

Step 1 - Select the Report Year and Month (required)

Report Year: 2008  
Report Month: January to December

Step 2 - Limit your search by the Expenditure(s) Type or Amount (optional)

Expenditure Types: ☒ Individual ☒ Solicitation ☒ Group

Expenditure Amount: \$ to \$

Step 3 - Limit your search by the Recipient (optional)

Recipient Name:

Results from the selections below will only apply to individual and/or solicitation expenditure types. Results will include employee/staff and spouse/child expenditures.

Recipient Type: ☐ Representative ☐ Senator ☐ Statewide Official ☐ Supreme Court Judge ☐ Local Elected Officials ☐ Other Public Officials

## Campaign Finance Disclosure Reminders

- **April Quarterly:** All committees must file April quarterly report no later than Monday, April 17<sup>th</sup>. View reporting deadlines in the [2017 Filing Dates Calendar](#).
- Successful candidates must file **30 Day After Election Report** (if have expenditures or contributions made) BEFORE being sworn-in. Time period is from day after last report closed through the day before the swearing-in.
- Payments to **campaign workers** must be itemized, regardless of the amount. A campaign worker is someone that you hire to assist with your campaign activities (does not include unpaid volunteers).
- **Continuing (PACS) and Political Party Committees** reporting for the current calendar year. If April Quarterly is first report this year, remember to begin the committee's totals for receipts, expenditures and contributions made at zero (\$0.00) for 2017. The ending report totals for Money on Hand and Indebtedness are brought forward each reporting period for the life of the committee.
- The **48 Hour Report of Contribution of \$5,000** is required for a contribution (including a loan) received over \$5,000. It must be filed within 48 hours of receipt and filed electronically.

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## What's New With Amendment 2?

With litigation pending, Amendment 2 (now known as Article VIII, Sec. 23) faces potential changes over time. A dedicated section of the [MEC homepage](#) connects users to updated information as it becomes available.

This [link](#) also provides advisory opinions and answers to frequently asked questions. As this is the best practice, the MEC recommends checking often to stay informed about Article VIII, Section 23.

### Constitutional Article VIII, Section 23

1. This section shall be known as the "Missouri Campaign Contribution Reform Initiative."
2. The people of the state of Missouri hereby find and declare that excessive campaign contributions to political candidates create the potential for corruption and the appearance of corruption; that large

### Advisory Opinions

The Commission issued several [opinions](#) regarding Article VIII, Section 23. The full opinions can be found on the [Advisory Opinions](#) page of the MEC website.

### Frequently Asked Questions

Available on our website is a compilation of common questions regarding Article VIII, Section 23.

Recent updates to the FAQs pertain to political action committees (PAC), corporations and labor organizations, and candidate committees.



## Political Subdivisions: Important Dates

### Conflict of Interest Ordinance/Resolution

If you do not adopt (or re-adopt) a conflict of interest ordinance or resolution, ALL elected, appointed, and decision making personnel, as well as candidates, are required to file a PFD.

If you do adopt a new ordinance (or re-adopt your current ordinance), the deadline is **Sept 15th**. The ordinance must be adopted (or re-adopted), every two years, at an open meeting. A certified copy must be mailed to MEC within 10 days of the adoption (or re-adoption).

See [§105.485 RSMo](#) for minimum ordinance requirements. In addition to the minimum requirements, consider including the following:

- Penalties for late filing, failing to file or follow ordinance, etc.
- Filing requirements for candidates.

### Annual Operating Budget (See below, E-File: AOB)

In order to identify persons required to file a Personal Financial Disclosure (PFD) statement, political subdivisions must confirm to the MEC whether their Annual Operating Budget (AOB) is:

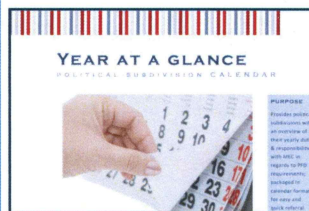
- Over \$1 million; or
- \$1 million or under

### E-File: AOB

Starting Wed. July 5<sup>th</sup>, through Mon. August 7<sup>th</sup>, go to our website and:

1. Log into the Political Subdivision E-filing System (use your political subdivision's log-in information)
2. Update subdivision contact information (if necessary)
3. Confirm your AOB (you will receive email confirmation)

For more information, view the [MEC Year At A Glance Political Subdivision Calendar](#)



### Inside this issue:

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## Campaign Finance Tips

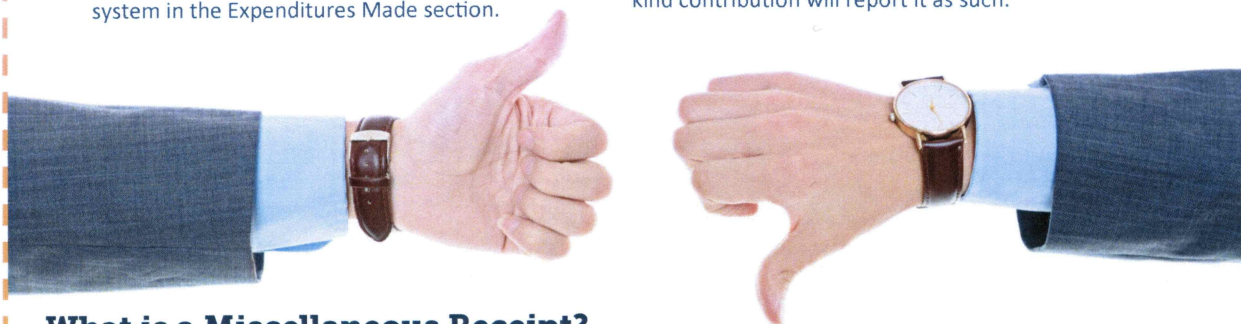
A direct expenditure made to support or oppose a candidate or ballot measure is an expenditure that has been made, typically by continuing (political action/PAC) or political party committees, to support or oppose a candidate or ballot measure. No money was given to the candidate or campaign committee, the money was paid directly to the vendor.

**How to report:** There are two and possibly three steps in reporting a direct expenditure made to support or oppose a candidate or ballot measure.

1. The expenditure is initially recorded in the e-filing system in the Expenditures Made section.

2. Details of the expenditure are entered in the Expenditure Made to Support or Oppose a Candidate or Ballot Measure supplemental forms section. The supplemental information reflects the total amount paid and provides information about the candidate or ballot measure supported or opposed.

3. If the recipient of the expenditure has coordination or consultation, etc., the committee making the expenditure also reports it as an In-Kind Contribution Made (ex: PAC working with candidate to pay for/place advertisement in support of candidacy). The committee receiving the in-kind contribution will report it as such.



### What is a Miscellaneous Receipt?

A **miscellaneous receipt** is money coming in other than as a contribution or loan received. Examples of items which would be reported as miscellaneous receipts are listed below.

#### Miscellaneous Receipts:

Interest Earned  
Receipt of a rejected contribution  
Refund for return of merchandise

#### Contributions (not misc. receipts):

Dues  
Funds received from sale of t-shirts or other items  
Pass the hat/ ticket sales

## MEC Employee Spotlight

**Joyce Baker: Employee of the Quarter** (January 1 to March 31, 2017)

Joyce is a great example of someone whose patience stands out each and every day. Under often stressful situations when many callers are close to the deadline to file their personal financial disclosure reports, Joyce maintains the utmost professionalism on the telephone. She is consistently pleasant, polished and demonstrates patience. Joyce has handled a large call volume almost daily since filers were notified of their obligation to file the personal financial disclosure report. She handles each new call with determination and everyone is treated identically. Excellent work Joyce!

### Recording-keeping and Reporting of Contributor's Contractual Relationship:

Section 130.041 RSMo, requires a candidate committee to make a reasonable effort to obtain and report a description of any contractual relationship **over \$500** that a contributor has with the political subdivision in which the candidate is running for office.

See page 10 of [A Guide to Record-Keeping](#) for a sample of the information to be gathered and reported.



**July Quarterly Report Due Monday, July 17th: All committees must file.**

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# MEC News

Missouri Ethics Commission  
James Klahr, Executive Director

VOLUME 36

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## MEC SURVEY

The Missouri Ethics Commission is conducting a brief satisfaction survey and we'd like to hear from you. This is a first step in our focus to understand what we do well and identify opportunities to improve.

Your survey responses will be anonymous unless you choose to provide contact information. All information is confidential.



[Begin Survey](#)

## Campaign Finance

- As provided in Art. VIII, Sec. 23 candidate, exploratory and political party committees cannot accept monetary or in-kind contributions from corporations or labor organizations. See [website](#) for more info.
- If registering a new committee or amending current committee information use the new online Statement of Committee Organization. **REMEMBER**, the form must be:
  - **Printed**
  - **Signed** and
  - **Mailed** to the MEC
- To determine if a committee must file an upcoming report, carefully answer the questions included in the reminder email sent to every committee, for every election.

## PFD Annual Filers

Political subdivisions with an annual operating budget (AOB) over \$1 million will be able to [electronically](#) submit their list of required annual Personal Financial Disclosure (PFD) filers to MEC (password info will be sent in November).

Upon logging in to the [Political Subdivision e-Filer system](#), both last year's annual filers and last year's candidates will be displayed.

Carefully review each section, update each filer, and remove those no longer required to file.

**Reminder:** if an annual filer held the position at any time in 2017, that person is still required to file for the time period served. Each subdivision must notify those people whose names have been submitted. The MEC will also send notice to each filer in January. PFDs are due by May 1, 2018 (earlier if a candidate).

### Inside this issue:

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Campaign Finance  
PFD Annual Filers  
Election News  
Advisory Opinions  
Employee Spotlight  
Training Information

## ELECTION NEWS

### ATTENTION: Officials Accepting Declarations of Candidacy:

Packets for 2018 Elections coming in October

- **Review the packet**  
includes instruction letter, 2018 Guide to Ethics Law, PFD forms (AOB >\$1mil) & Notice to Candidate.
- **Review your Candidate Declaration form**  
may include wording that candidate has no outstanding campaign finance reports due from prior elections.
- **Remember**, §130.071 RSMo prohibits candidates from taking office until all reports are filed.



**Be sure to discard all old election materials!**

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## Campaign Finance Updates

### Constitutional Art. VIII, Sec. 23

The Commission has received several requests for opinions interpreting Article VIII, Section 23 of the Missouri Constitution (Amendment 2). Below are summaries of the most recent opinions issued. For complete information including FAQs, visit [this page](#).

### Advisory Opinions

**2017.09.CF.018** 1) Nothing in Chapter 130 or the Missouri Constitution prohibits a candidate from appearing at a fundraising event, or from fundraising on behalf of the continuing committee/PAC. However, committee must be a true continuing committee/PAC and not operate as a second candidate committee.

2) A continuing committee/PAC may not receive funds from the general treasury of a corporation where the treasurer of the continuing committee/PAC is the spouse of a shareholder, board member, partner, executive officer, LLC manager or LLC member.

3) Direction is given on donor involvement in continuing committee/PAC given the prohibition on corporate or union funds to certain committees.

**2017.08.CF.016** A labor organization which serves as a connected organization may transfer membership

dues from its treasury funds to its continuing committee/PAC. It may consider segregation of funds and must keep accurate records.

**2017.08.CF.017** A non-profit corporation that meets the requirements of Art. VIII, §23.3(3)(b) may contribute to candidate committees, exploratory committees, and political party committees. Guidance is given on the 3-part test of Art. VIII, §23.3(3)(b).

**2017.07.CF.014** A PAC that is funded with 100% of its monetary contributions by a corporation's general treasury funds cannot be "deemed" to be a "connected organization." However, the PAC can be connected if the corporation is expending funds to establish, administer and maintain the committee, or to solicit officers, directors, employees or security holders of such organization.

## MEC Employee Spotlight

### Kay Dinolfo: New MEC Reporting Analyst

Kay has served in a number of positions in state government, including most recently at the Missouri Department of Health and Senior Services. Kay served as Co-Director of Elections with the Secretary of State's Elections Division. She has worked with the public and local election officials to educate them about their responsibilities under the law. We know that Kay is well-equipped to join our team and provide quality assistance to those who file reports with MEC. Kay began her duties with the MEC in early October. Welcome to the team, Kay!

## MEC TRAINING

Now scheduling MEC training sessions for 2018. This includes new candidate training and other topics that pertain to the Commission. If you would like to host a candidate training or are in need of an MEC speaker at your event [contact us](#) for more information.

### MEC Training Presentations

10/24	Missouri Rural Water Association (MRWA) Office Professionals Seminar
10/25	Southwest Missouri City Clerks & Finance Officers Association (SWMoCCFO)
10/26	Missouri Association of County Developmental Disabilities Services (MACDDS)

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